

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2015 - * 32
 Amendment No. (req. for Amendments *)

Filing by EDGA Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant
 to the Securities Exchange Act of 1934

Section 806(e)(1) *
☐

Section 806(e)(2) *
☐

Section 3C(b)(2) *
☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

EDGA Exchange, Inc. proposes to amend Rule 2.11, BATS Trading as Outbound Router.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Chris Last Name * Solgan
 Title * Assistant General Counsel
 E-mail * csolgan@bats.com
 Telephone * (646) 856-8723 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 08/11/2015

By Chris Solgan

(Name *)

Assistant General Counsel

NOTE: Clicking the button at right will digitally sign and lock
 this form. A digital signature is as legally binding as a physical
 signature, and once signed, this form cannot be changed.

csolgan@bats.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² EDGA Exchange, Inc. (the “Exchange” or “EDGA”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 2.11, BATS Trading as Outbound Router, in order to conform to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”).³ The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁴

(a) The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Board of Directors of the Exchange of any

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See BZX and BYX Rules 2.11. See also Securities Exchange Act Release Nos. 69744 (June 12, 2015), 78 FR 36612 (June 18, 2015) (SR-BYX-2013-018); and 69744 (June 12, 2013), 78 FR 36621 (June 18, 2015) (SR-BATS-2013-032) (notices of filing and immediate effectiveness of proposed rule changes to amend BYX and BZX Rules 2.11, entitled “BATS Trading, Inc. as Outbound Router”).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Eric Swanson
EVP, General Counsel
(913) 815-7000

Chris Solgan
Associate General Counsel
(646) 856-8723

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

In early 2014, the Exchange and its affiliate, EDGX Exchange, Inc. ("EDGX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and BYX (together with EDGA, and EDGX, the "BGM Affiliated Exchanges").⁵ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to amend Rule 2.11, BATS Trading as an Outbound Router, to make such Rule identical to the corresponding Rule 2.11 on BZX and BYX. The Exchange does not propose to alter its current system functionality with regard to its use of BATS Trading, Inc. ("BATS Trading") as an outbound router and its use of an error account. Rather, the proposed rule change is

⁵ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-043; SR-EDGA-2013-034).

designed to provide a consistent rule set across each of the BGM Affiliated Exchanges.⁶

Pursuant to Exchange Rule 2.11, the Exchange relies on BATS Trading to provide outbound routing services from itself to a routing destination. Rule 2.11 also provides the authority to the Exchange or BATS Trading to cancel orders on the Exchange's equity securities platform when a technical or system issue occurs. Rule 2.11 also describes the operation of an error account for BATS Trading. The Exchange proposes to make the amendments to Rule 2.11 described below to align each subparagraph with the corresponding subparagraph within BZX and BYX Rules 2.11.⁷ Again, none of these proposed changes alter the authority of the Exchange or BATS Trading to cancel orders that result from a technical or system issue nor do they amend the operation of an error account for BATS Trading.

First, the Exchange proposes to make the follow ministerial changes to Rule 2.11 to conform to BZX and BYX Rules 2.11, none of which amend the substance or meaning of each section of the rule:

- Add “, Inc.” after “BATS Trading” in the title of Rule 2.11 to align with the title of BZX and BYX Rules 2.11; and
- Replace the word “accordance” with the word “compliance” in subparagraph (a)(4) to align with BZX and BYX Rules 2.11(a)(4);

None of the above changes alter the meaning of each subparagraph. They are simply

⁶ See BZX and BYX Rules 2.11. The Exchange notes that EDGX intends to file a similar proposal that will align the rules related to its use of BATS Trading as an outbound router across each of the BGM Affiliated Exchanges.

⁷ The Exchange notes that it does not propose to amend Rules 2.11(a)(1) – (3) and (b) as those subparagraph are identical to BZX and BYX Rules 2.11(a)(1) – (3) and (b).

intended to align each subparagraph with the corresponding subparagraph within Rule 2.11.

Second, the Exchange proposes to amend Rule 2.11(a)(6) to align with BZX and BYX Rules 2.11(a)(6). Rule 2.11(a)(6) will continue to provide that the Exchange or BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, BATS Trading or a routing destination. The Exchange proposes to replace: (i) the phrase “if and when a systems, technical or operational issue” with “if a technical or systems issue”; and (ii) the term “Trading Center” with “routing destination.” Replacement of these terms do not alter the meaning of Rule 2.11(a)(6). Rather, they simply align the rule’s text with that of BZX and BYX Rules 2.11(a)(6). To further align the rule text with BZX and BYX Rules 2.11(a)(6), the Exchange proposes to delete the phrase “of orders” from the last sentence of Exchange Rule 2.11(a)(6). Rule 2.11(a)(6) will continue to require that the Exchange or BATS Trading provide notice of the cancellation of orders to affected Members as soon as practicable.

Third, the Exchange proposes to amend Rule 2.11(a)(7) to align with BZX and BYX Rules 2.11(a)(7). Subparagraph (a)(7) currently states the following:

BATS Trading shall maintain an error account for the purpose of liquidating an error position when such position, in the judgment of the Exchange or BATS Trading subject to the factors described herein, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by BATS Trading, by the Exchange or by a Trading Center to which BATS Trading directed an outbound order.

The Exchange proposes to replace subparagraph (a)(7) in its entirety. As amended subparagraph (a)(7) would define “Error Positions” as “positions that are the result of an

execution or executions that are not clearly erroneous under Rule 11.15 and result from a technical or systems issue at BATS Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders.” Subparagraph (a)(7) would also continue to state that BATS Trading will maintain an error account for the purpose of addressing Error Positions. The assignment and liquidation of Error Positions discussed under current subparagraph (a)(7) will be addressed under the proposed amendments to subparagraph (a)(7)(D) discussed below.

Fourth, the Exchange proposes to amend subparagraph (a)(7)(A) to add the word “this” before “Rule 2.11(a)(7)” and capitalize reference to Error Positions to align with BZX and BYX Rules 2.11(a)(7)(A). Notwithstanding these changes, subparagraph (a)(7)(A) will continue to require that an Error Position not include any position that results from an order submitted by a Member to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

Fifth, the Exchange proposes to amend subparagraph (a)(7)(B) to pluralize references to the term “position” to align with BZX and BYX Rules 2.11(a)(7)(B). Subparagraph (a)(7)(B) shall continue to require that, except as provided in Rule 2.11(a)(7)(C) (described below), BATS Trading not (i) accept any positions in its error account from an account of a Member, or (ii) permit any Member to transfer any positions from the Member’s account to BATS Trading’s error account.

Sixth, the Exchange proposes to amend subparagraph (a)(7)(C) to replace reference to: (i) a “systems, technical or operational issue” with “technical or systems issue” and; (ii) “a Member’s trade” with “a Member to a trade”. As amended, subparagraph (a)(7)(C) would state that if a technical or systems issue results in the

Exchange not having valid clearing instructions for a Member to a trade, BATS Trading may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis. These changes to align subparagraph (a)(7)(C) with BZX and BYX Rules 2.11(a)(7)(C) and do not alter its meaning or application.

Lastly, the Exchange proposes to replace subparagraphs (a)(7)(D), (E), and (F) in their entirety with new subparagraphs (D) and (E), the text of which are identical to BZX and BYX Rules 2.11(a)(7)(D) and (E). Subparagraph (D) would state that, in connection with a particular technical or systems issue, BATS Trading or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with paragraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below. This provision is similar to current subparagraph (a)(7)(D) and (E). Subparagraph (D) would further require that any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion. This provision is substantially similar to current subparagraphs (a)(7)(F)(ii).

Proposed subparagraph (a)(7)(D)(i) would govern the assignment of Error Positions. Specifically, BATS Trading or the Exchange are required to assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if BATS Trading or the Exchange: (i) determines under proposed subparagraph (a)(7)(D)(i)(1) that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Members affected by that technical or systems issue; (ii) determines under proposed subparagraph

(a)(7)(D)(i)(2) that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Members affected by that technical or systems issue; and (iii) has not determined under proposed subparagraph (a)(7)(D)(i)(3) to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) discussed above. These provisions are similar to current subparagraphs (a)(7)(D)(i) and (ii) as well as current subparagraphs (a)(7)(F) and (F)(i).

Proposed subparagraph (a)(7)(D)(ii) would govern the liquidation of Error Positions. Under proposed subparagraph (a)(7)(D)(ii) BATS Trading must liquidate any Error Positions as soon as practicable where it or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with subparagraph (D) discussed above, or if BATS Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above. This provision is substantially similar to current subparagraphs (a)(7)(E).

In liquidating such Error Positions, proposed subparagraph (a)(7)(D)(ii)(1) and (2) require BATS Trading to: (i) provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and (ii) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and BATS Trading/the Exchange associated with the liquidation of the Error Positions. These provisions are similar to current subparagraphs (a)(7)(E)(i) and (ii).

Proposed subparagraph (a)(7)(E) would require BATS Trading and the Exchange to make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer. This provision is substantially similar to current subparagraphs (a)(7)(F)(ii).

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁸ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,⁹ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange does not propose to alter its current system functionality with regard the treatment of Error Positions set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. As mentioned above, the proposed rule changes, combined with the planned filing for EDGX,¹⁰ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the treatment of Error Positions across each of the BGM Affiliated

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See supra note 6.

Exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGX, BZX and/or BYX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. Similarly, the Exchange also believes that, by harmonizing the rules and across each BGM Affiliated Exchange with respect to the treatment of Error Positions, the proposal will provide consistent rules and methodology for handling Error Positions across the BGM Affiliated Exchanges, meaning that the proposed rule change is equitable and will promote fairness in the market place.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical rules across each of the BGM Affiliated Exchanges regarding the treatment of Error Positions does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, EDGX, BYX, and BZX rules of similar purpose.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Not applicable.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹¹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹² The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.¹³

As described above, the Exchange notes that the proposed change is directly based on the rules of BZX and BYX.¹⁴ Based on the foregoing, the proposed rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁵ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁶

The Exchange respectfully requests that the Commission waive the 30-day

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 C.F.R. 240.19b-4.

¹³ 17 C.F.R. 240.19b-4(f)(6)(iii).

¹⁴ See supra note 3.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 C.F.R. 240.19b-4.

operative delay so that the proposed rule changes may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act¹⁷ and paragraph (f)(6) thereunder.¹⁸ The Exchange does not propose to alter its current system functionality with regard to the treatment of Error Positions set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to have consistent rules across each of the BGM Affiliated Exchanges regarding the treatment of Error Positions, which will provide consistent rules and methodology for handling Error Positions across the BGM Affiliated Exchanges avoiding any potential investor confusion during the operative delay period.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule text for Rule 2.11 is based on BZX and BYX Rules 2.11.

9. Security Based- Swap Submissions Filed Pursuant to Section 3C of the Act

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 C.F.R. 240.19b-4(f)(6).

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-EDGA-2015-32)

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 2.11, BATS Trading as Outbound Router

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to amend Rule 2.11, BATS Trading as Outbound Router, in order to conform to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”).⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ See BZX and BYX Rules 2.11. See also Securities Exchange Act Release Nos. 69744 (June 12, 2015), 78 FR 36612 (June 18, 2015) (SR-BYX-2013-018); and

The text of the proposed rule change is available at the Exchange's website at www.batstrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In early 2014, the Exchange and its affiliate, EDGX Exchange, Inc. ("EDGX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and BYX (together with EDGA, and EDGX, the "BGM Affiliated Exchanges").⁶ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to amend Rule 2.11,

69744 (June 12, 2013), 78 FR 36621 (June 18, 2015) (SR-BATS-2013-032) (notices of filing and immediate effectiveness of proposed rule changes to amend BYX and BZX Rules 2.11, entitled "BATS Trading, Inc. as Outbound Router").

⁶ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-043; SR-EDGA-2013-034).

BATS Trading as an Outbound Router, to make such Rule identical to the corresponding Rule 2.11 on BZX and BYX. The Exchange does not propose to alter its current system functionality with regard to its use of BATS Trading, Inc. (“BATS Trading”) as an outbound router and its use of an error account. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges.⁷

Pursuant to Exchange Rule 2.11, the Exchange relies on BATS Trading to provide outbound routing services from itself to a routing destination. Rule 2.11 also provides the authority to the Exchange or BATS Trading to cancel orders on the Exchange’s equity securities platform when a technical or system issue occurs. Rule 2.11 also describes the operation of an error account for BATS Trading. The Exchange proposes to make the amendments to Rule 2.11 described below to align each subparagraph with the corresponding subparagraph within BZX and BYX Rules 2.11.⁸ Again, none of these proposed changes alter the authority of the Exchange or BATS Trading to cancel orders that result from a technical or system issue nor do they amend the operation of an error account for BATS Trading.

First, the Exchange proposes to make the follow ministerial changes to Rule 2.11 to conform to BZX and BYX Rules 2.11, none of which amend the substance or meaning of each section of the rule:

⁷ See BZX and BYX Rules 2.11. The Exchange notes that EDGX intends to file a similar proposal that will align the rules related to its use of BATS Trading as an outbound router across each of the BGM Affiliated Exchanges.

⁸ The Exchange notes that it does not propose to amend Rules 2.11(a)(1) – (3) and (b) as those subparagraph are identical to BZX and BYX Rules 2.11(a)(1) – (3) and (b).

- Add “, Inc.” after “BATS Trading” in the title of Rule 2.11 to align with the title of BZX and BYX Rules 2.11; and
- Replace the word “accordance” with the word “compliance” in subparagraph (a)(4) to align with BZX and BYX Rules 2.11(a)(4);

None of the above changes alter the meaning of each subparagraph. They are simply intended to align each subparagraph with the corresponding subparagraph within Rule 2.11.

Second, the Exchange proposes to amend Rule 2.11(a)(6) to align with BZX and BYX Rules 2.11(a)(6). Rule 2.11(a)(6) will continue to provide that the Exchange or BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, BATS Trading or a routing destination. The Exchange proposes to replace: (i) the phrase “if and when a systems, technical or operational issue” with “if a technical or systems issue”; and (ii) the term “Trading Center” with “routing destination.” Replacement of these terms do not alter the meaning of Rule 2.11(a)(6). Rather, they simply align the rule’s text with that of BZX and BYX Rules 2.11(a)(6). To further align the rule text with BZX and BYX Rules 2.11(a)(6), the Exchange proposes to delete the phrase “of orders” from the last sentence of Exchange Rule 2.11(a)(6). Rule 2.11(a)(6) will continue to require that the Exchange or BATS Trading provide notice of the cancellation of orders to affected Members as soon as practicable.

Third, the Exchange proposes to amend Rule 2.11(a)(7) to align with BZX and BYX Rules 2.11(a)(7). Subparagraph (a)(7) currently states the following:

BATS Trading shall maintain an error account for the purpose of liquidating

an error position when such position, in the judgment of the Exchange or BATS Trading subject to the factors described herein, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by BATS Trading, by the Exchange or by a Trading Center to which BATS Trading directed an outbound order.

The Exchange proposes to replace subparagraph (a)(7) in its entirety. As amended subparagraph (a)(7) would define “Error Positions” as “positions that are the result of an execution or executions that are not clearly erroneous under Rule 11.15 and result from a technical or systems issue at BATS Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders.” Subparagraph (a)(7) would also continue to state that BATS Trading will maintain an error account for the purpose of addressing Error Positions. The assignment and liquidation of Error Positions discussed under current subparagraph (a)(7) will be addressed under the proposed amendments to subparagraph (a)(7)(D) discussed below.

Fourth, the Exchange proposes to amend subparagraph (a)(7)(A) to add the word “this” before “Rule 2.11(a)(7)” and capitalize reference to Error Positions to align with BZX and BYX Rules 2.11(a)(7)(A). Notwithstanding these changes, subparagraph (a)(7)(A) will continue to require that an Error Position not include any position that results from an order submitted by a Member to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

Fifth, the Exchange proposes to amend subparagraph (a)(7)(B) to pluralize references to the term “position” to align with BZX and BYX Rules 2.11(a)(7)(B). Subparagraph (a)(7)(B) shall continue to require that, except as provided in Rule 2.11(a)(7)(C) (described below), BATS Trading not (i) accept any positions in its error

account from an account of a Member, or (ii) permit any Member to transfer any positions from the Member's account to BATS Trading's error account.

Sixth, the Exchange proposes to amend subparagraph (a)(7)(C) to replace reference to: (i) a "systems, technical or operational issue" with "technical or systems issue" and; (ii) "a Member's trade" with "a Member to a trade". As amended, subparagraph (a)(7)(C) would state that if a technical or systems issue results in the Exchange not having valid clearing instructions for a Member to a trade, BATS Trading may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis. These changes to align subparagraph (a)(7)(C) with BZX and BYX Rules 2.11(a)(7)(C) and do not alter its meaning or application.

Lastly, the Exchange proposes to replace subparagraphs (a)(7)(D), (E), and (F) in their entirety with new subparagraphs (D) and (E), the text of which are identical to BZX and BYX Rules 2.11(a)(7)(D) and (E). Subparagraph (D) would state that, in connection with a particular technical or systems issue, BATS Trading or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with paragraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below. This provision is similar to current subparagraph (a)(7)(D) and (E). Subparagraph (D) would further require that any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion. This provision is substantially similar to current subparagraphs (a)(7)(F)(ii).

Proposed subparagraph (a)(7)(D)(i) would govern the assignment of Error

Positions. Specifically, BATS Trading or the Exchange are required to assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if BATS Trading or the Exchange: (i) determines under proposed subparagraph (a)(7)(D)(i)(1) that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Members affected by that technical or systems issue; (ii) determines under proposed subparagraph (a)(7)(D)(i)(2) that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Members affected by that technical or systems issue; and (iii) has not determined under proposed subparagraph (a)(7)(D)(i)(3) to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) discussed above. These provisions are similar to current subparagraphs (a)(7)(D)(i) and (ii) as well as current subparagraphs (a)(7)(F) and (F)(i).

Proposed subparagraph (a)(7)(D)(ii) would govern the liquidation of Error Positions. Under proposed subparagraph (a)(7)(D)(ii) BATS Trading must liquidate any Error Positions as soon as practicable where it or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with subparagraph (D) discussed above, or if BATS Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above. This provision is substantially similar to current subparagraphs (a)(7)(E).

In liquidating such Error Positions, proposed subparagraph (a)(7)(D)(ii)(1) and (2) require BATS Trading to: (i) provide complete time and price discretion for the trading to

liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and (ii) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and BATS Trading/the Exchange associated with the liquidation of the Error Positions. These provisions are similar to current subparagraphs (a)(7)(E)(i) and (ii).

Proposed subparagraph (a)(7)(E) would require BATS Trading and the Exchange to make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer. This provision is substantially similar to current subparagraphs (a)(7)(F)(ii).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁹ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,¹⁰ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

does not propose to alter its current system functionality with regard the treatment of Error Positions set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. As mentioned above, the proposed rule changes, combined with the planned filing for EDGX,¹¹ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the treatment of Error Positions across each of the BGM Affiliated Exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGX, BZX and/or BYX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. Similarly, the Exchange also believes that, by harmonizing the rules and across each BGM Affiliated Exchange with respect to the treatment of Error Positions, the proposal will provide consistent rules and methodology for handling Error Positions across the BGM Affiliated Exchanges, meaning that the proposed rule change is equitable and will promote fairness in the market place.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any

¹¹ See supra note 7.

burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical rules across each of the BGM Affiliated Exchanges regarding the treatment of Error Positions does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, EDGX, BYX, and BZX rules of similar purpose.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder.¹³ The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 C.F.R. 240.19b-4.

time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-EDGA-2015-32 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-EDGA-2015-32. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect

to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-EDGA-2015-32 and should be submitted on or before [_____] 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Robert W. Errett
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Proposed new language is underlined; proposed deletions are marked by [brackets].

Rules of EDGA Exchange, Inc.

* * *

CHAPTER II. MEMBERS OF THE EXCHANGE

* * *

Rule 2.11. BATS Trading, Inc. as Outbound Router

(a) (No change).

(1) – (3) (No change).

(4) BATS Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 2.12, (c) its usage of an error account in [accordance]compliance with paragraph (a)(7), below, and (d) any other activities it may engage in as approved by the Commission.

(5) (No change).

(6) The Exchange or BATS Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if [and when systems,]a technical or systems issue occurs[or operational issues occur] at the Exchange, BATS Trading or a [Trading Center]routing destination. The Exchange or BATS Trading shall provide notice of the cancellation [of orders]to affected Members as soon as practicable.

(7) [BATS Trading shall maintain an error account for the purpose of liquidating an error position when such position, in the judgment of the Exchange or BATS Trading subject to the factors described herein, cannot be fairly and practicably assigned to one or more Members in its entirety. An error position can be acquired if it results from a systems, technical or operational issue experienced by BATS Trading, by the Exchange or by a Trading Center to which BATS Trading directed an outbound order.]BATS Trading shall maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 11.15 and result from a technical or systems issue at BATS Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders (“Error Positions”).

(A) For purposes of this Rule 2.11(a)(7), an [e]Error [p]Position shall not include any position that results from an order submitted by a Member to the Exchange

that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in Rule 2.11(a)(7)(C), BATS Trading shall not (i) accept any positions in its error account from an account of a Member, or (ii) permit any Member to transfer any positions from the Member's account to BATS Trading's error account.

(C) If a [systems,]technical or [operational]systems issue results in the Exchange not having valid clearing instructions for a Member[s]to a trade, BATS Trading may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

[(D) The Exchange or BATS Trading shall consider the following factors in determining whether an error position can be fairly and practicably assigned to one or more Members:

(i) Whether the Exchange or BATS Trading has accurate and sufficient information to assign the entire amount of an error position to all affected Members; and

(ii) Whether the Exchange or BATS Trading is able to evaluate available information in order to assign the entire amount of an error position to all affected Members by the first business day following the trade date on which the error position was established.

(E) When, as and if the Exchange or BATS Trading determines to acquire an error position into BATS Trading's error account, BATS Trading shall liquidate such error position as soon as practicable. In liquidating such error position, BATS Trading shall:

(i) Provide complete time and price discretion to a third-party broker-dealer to liquidate such error position, and BATS Trading shall not attempt to exercise any influence or control over the timing or method of trading to liquidate such position; and

(ii) Establish and implement written policies and procedures in accordance with Rule 2.11(a)(7) that are reasonably designed to restrict the flow of confidential and proprietary information associated with the liquidation of the error position between the Exchange and BATS Trading, on one hand, and the third-party broker-dealer, on the other.

(F) If the Exchange or BATS Trading determines, in its judgment subject to the factors described in subparagraph (a)(7)(D) hereof, that an error position can be fairly and practicably assigned to one or more Members in its entirety by the first business day

following the trade date on which the error position was incurred, then the Exchange or BATS Trading will:

(i) Assign the entire amount of the error position to all affected Members; and

(ii) Make and keep records to document the rationale for the assignment to such Members. BATS Trading shall also make and keep records of the factors considered in determining to acquire an error position into the error account. Such determinations and assignments shall be made in a non-discriminatory fashion. In addition, BATS Trading shall make and keep records associated with the liquidation of the error position through a third-party broker-dealer.]

(D) In connection with a particular technical or systems issue, BATS Trading or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with paragraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below. Any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion.

(i) BATS Trading or the Exchange shall assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if BATS Trading or the Exchange:

(1) Determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Members affected by that technical or systems issue;

(2) Determines that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Members affected by that technical or systems issue; and

(3) Has not determined to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) above.

(ii) If BATS Trading or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with subparagraph (D) above, or if BATS Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above, then BATS Trading shall liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, BATS Trading shall:

(1) Provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and

(2) Establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and BATS Trading/the Exchange associated with the liquidation of the Error Positions.

(E) BATS Trading and the Exchange shall make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) (No change).